

## Message Text

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ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-08 AID-05 CIAE-00 FRB-03  
INR-10 NSAE-00 ICA-11 TRSE-00 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 DODE-00 MCE-00 PM-05 L-03  
/071 W

-----100645 121556Z /46

P R 121409Z APR 78  
FM AMEMBASSY ALGIERS  
TO SECSTATE WASHDC PRIORITY 8368  
INFO USDOC WASHDC

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DEPARTMENT PLEASE PASS EXIMBANK

E. O. 11652: N/A  
TAGS: EFIN, AG  
SUBJ: EXIM FINANCING FOR TRUCKS TO SONACOME

REFS: A) 77 ALGIERS 0188, B) STATE 93051

1. EMBASSY PLANS CONTACT VARIOUS SOURCES IN EFFORT GIVE AS COMPLETE AS POSSIBLE RESPONSE TO QUESTIONS POSED REF B. HOWEVER, GIVEN IMPENDING ALG/US WEEKENDS WHICH WILL DELAY EXIM'S RECEIVING FULL RESPONSE UNTIL APRIL 17 AT EARLIEST, WE HEREWITH OFFER INTERIM, DESK REPLY.

2. FOR OPENERS, WE SUGGEST EXIM REREAD 1977 ALGIERS REFTEL. IT WORTH POINTING OUT THAT, TO BEST OF OUR KNOWLEDGE, LAST YEAR'S SNTR TENDER FOR 900 TRUCKS WAS NEVER CONCLUDED. WE UNDERSTAND THIS WAS FOR BUDGET/FOREIGN EXCHANGE REASONS. WE ALSO UNDERSTAND (THIS THIS NOT YET CONFIRMED) THAT BULK OF CURRENT SONACOME TENDER DESTINED FOR SNTR. THIS, THEN, WOULD REPRESENT LAST YEAR'S ABORTED REQUIREMENT FOR 900 TRUCKS PLUS PROBABLY SOMETHING MORE THAN THAT FOR THIS YEAR. WE DO NOT YET KNOW HOW SONTRACH FITS IN PICTURE,  
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BUT WE SUSPECT THEY STILL PLAN IMPORT DIRECTLY.

3. IF ABOVE SUPPOSITIONS ARE CORRECT, THIS WOULD LEAVE BALANCE OF SOME 400-500 TRUCKS. IT LIKELY THAT THESE WOULD BE EARMARKED FOR COMMERCIAL SALE TO PRIVATE SECTOR AND TO VARIOUS OTHER NATIONAL COMPANIES HAVING LIMITED BUT REAL NEED FOR TRUCKS. THIS NUMBER DOES NOT SEEM EXCESSIVE. THERE ARE SEVERAL INDEPENDENT, RELATIVELY SMALL

TRUCKING COMPANIES OPERATING IN ALGERIA, FILLING THE GAPS WHERE AND WHEN SNTR FAILS PROVIDE ADEQUATE SERVICE. WHILE THESE FIRMS PROBABLY WILL NOT BE BUYING LARGEST SIZES OF TRUCKS IN SONACOME TENDER, THERE APPEARS BE ENOUGH OF THE SMALLER SIZES TO ACCOMMODATE BOTH SNTR AND PRIVATE NEEDS.

4. WE CANNOT ESTIMATE CURRENT FLEET AND ANNUAL PROCUREMENT NEEDS BECAUSE PRIVATE SECTOR FLEET, ESPECIALLY OF THESE SIZES, NOT KNOWN. IT ESTIMATED THAT ALGERIA'S ANNUAL TRUCK REQUIREMENTS IN NEIGHBORHOOD 18-20,000, BUT THIS INCLUDES ALL SIZES, INCLUDING SMALL PICKUPS. SONACOME'S ANNUAL TRUCK PRODUCTION PROBABLY CURRENTLY ABOUT 3,000. BULK OF THESE APPEAR TO BE GOING TO ARMY.

5. WE DO NOT KNOW EXTENT OF FOREIGN COMPETITION AND FINANCING TERMS BEING OFFERED. SONACOME HAS SAID THAT FINANCING TERMS WILL BE VERY IMPORTANT. SONACOME ALSO HAS SAID THAT FIAT IS MAJOR CONTENDER. BERLIET, WHICH HAS SOLD LARGE NUMBERS OF TRUCKS TO ALGERIA IN PAST, REPORTEDLY DOES NOT BELIEVE WILL SEE ANY THIS YEAR.

6. AS WE REPLIED TO EARLIER USDOC REQUEST RE POSSIBLE MILITARY USE OF THESE TRUCKS, WE CANNOT SAY WITH CERTAINTY THAT THESE TRUCKS WILL NOT GO TO MILITARY (OR TO POLISARIO, FOR THAT MATTER), HOWEVER IN THE PAST MILITARY PROCUREMENT THROUGH SONACOME APPEARS IN MOST CASES TO HAVE BEEN DONE OPENLY AND WITH FULL KNOWLEDGE OF SUPPLIERS. WE TEND TO BELIEVE THIS TENDER IS STRAIGHT FORWARD COMMERCIAL OPERATION COVERING PART OF ALGERIA'S LEGITIMATE AND PRESSING TRANSPORT-LIMITED OFFICIAL USE

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TATION NEEDS.

7. EMBASSY STRONGLY SUPPORTS EXIM ASSISTANCE IN FINANCING THESE TRANSACTIONS.  
HAYNES

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRUCKS, CREDIT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Message ID:** 998b61b2-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
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**Review Media Identifier:**  
**Review Release Date:** N/A  
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**Status:** NATIVE  
**Subject:** EXIM FINANCING FOR TRUCKS TO SONACOME  
**TAGS:** EFIN, AG, XMB  
**To:** STATE  
**Type:** TE  
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